



PARTNERSHIP TO PROTECT
WORKPLACE OPPORTUNITY

Partnership to Protect Workplace Opportunity Co-Chair Lisa Horn had the following statement on the House Small Business Committee's hearing, "Damaging Repercussions: DOL's Overtime Rule, Small Employers, and their Employees:"

We commend Chairman Chabot and the members of the House Small Business Committee for holding today's hearing to highlight the overwhelming negative consequences of the Department of Labor's recently issued overtime regulation. The Committee's interest is most welcome, as this regulation has quickly become the overriding concern of small businesses, nonprofits, public sector employers, and educational institutions across the country.

These employers are facing challenging and painful decisions as they try to meet the extraordinary demands of the new regulation. The new salary threshold for determining overtime pay eligibility is more than double the previous level (\$47,476 from \$23,660), and employers are struggling to absorb such a drastic increase.

As a result of this misguided regulation, many currently exempt, salaried professional employees will have to be reclassified as hourly wage earners--a change that is frequently considered a demotion. Employers will have no choice but to limit employees' hours to less than 40 per week and reduce access to training opportunities and workplace flexibility. In many cases, employers will be forced to cut critical programming, staffing, and services. In the nonprofit sector, this could mean providing fewer life-saving and other desperately needed services for vulnerable populations.

We are pleased that today's hearing will shed light on the serious hardships the new overtime regulation imposes on employers, their employees, and the people and communities that they serve.